

**GOVERNMENT OF INDIA
NON-CONVENTIONAL ENERGY SOURCES
LOK SABHA**

UNSTARRED QUESTION NO:494

ANSWERED ON:22.02.2006

NEW POLICY FOR WIND AND SOLAR ENERGY

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Will the Minister of NON-CONVENTIONAL ENERGY SOURCES be pleased to state:

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- (a) whether the Government is formulating a new policy regarding wind power plants and solar energy;
- (b) if so, the details thereof alongwith the resources identified for the purpose; (
- (c) the reasons for high cost of equipments used for tapping solar energy and tidal energy inspite of hefty incentives being given; and
- (d) the reasons for differential costs of these equipments in different States?

Answer

MINISTER OF STATE OF THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES (INDEPENDENT CHARGE) (SHRI VILAS MUTTEMWAR)

(a) & (b): The National Electricity Policy and the Tariff Policy have already been announced. These two policies are expected to pave the way for the development of renewable power, including wind power. The cost of solar photovoltaic grid-interactive power is currently estimated at around Rs.20 kWh and consequently its deployment is not economically viable. The State Electricity Regulatory Commissions are required to fix a percentage for purchase of power from renewable sources apart from determining preferential tariffs for the same. Procurement from these sources for future requirements shall be done, as far as possible, through competitive bidding process within suppliers offering energy from same type of renewable sources.

(c): Despite the fact that the price of solar photovoltaic technology has been coming down over the years it still remains economically unviable for power generation purposes. However, its deployment for small loads in remote / isolated locations can be justified. Solar Thermal (low temperature) technology for water heating purposes has already reached near commercial status and with current efforts to increase its level of deployment, solar water heating systems should achieve full commercial status in the near future. On the other hand, tidal energy is still in technology demonstration phase and with further technological advances, it too is expected to reach near commercial status in some locations in the not too distant future.

(d): Justification for any wide differential in price of these equipment across states does not exist. Differential, if any, is only marginal. Efforts are being made to have one Akshay Urja Shop in each district of the country by the end of the 10th Plan period. These shops would serve as fair price shops for renewable systems/ devices apart from providing repair and maintenance facilities.